FILE COPY

IN THE

Supreme Court of the United States

OCTOBER TERM, 1946.

No. 217

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
Petitioner,

vs.

PANTHER-PANCO RUBBER CO., INC.,
Respondent.

MOTION FOR LEAVE TO FILE SECOND PETITION FOR REHEARING

and

SECOND PETITION FOR REHEARING.

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MOTION FOR LEAVE TO FILE SECOND PETITION FOR REHEARING.

Now comes the petitioner, MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY, and moves that this Court grant it leave to file a second petition for rehearing of its petition for writ of certiorari which was filed on June 19, 1946, and denied on October 14, 1946.

The first petition for rehearing was filed on November 8, 1946, and denied on November 12, 1946.

Grounds for Motion.

The grounds for this motion are that since the first petition for rehearing was denied, new circumstances have occurred by reason of which the already existing uncer-

tainty, confusion and conflict of the courts with respect to the law governing infringement of a registered trade mark and the law governing interstate unfair competition, and the distinctions therebetween, have become more pronounced and acute and, as the questions presented herein are directed to the substance of that uncertainty, confusion and conflict, authoritative determination of the presented questions has become more important and increasingly imperative.

CIRCUMSTANCES RELIED UPON.

The above referred to new circumstances are:

1. The District Court which heard this case has decided, on January 3, 1947, that it relied on inapplicable law in this case. *Bulova Watch Company, Inc.* v. *Stolzberg*, 69 F. Supp. 543.

2. The Court of Appeals for the Sixth Circuit, on May 12, 1947, affirmed without opinion the final decree of the District Court, without modification of its interlocutory decision (*Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d 278), with which the decision herein of the First Circuit Court of Appeals conflicts on the same matter.

3. The Court of Appeals of the Seventh Circuit, on February 27, 1947, rendered a decision (*The Barbasol Company* v. *Jacobs*, 160 F. 2d 336), with which the Court of Appeals decision herein conflicts in important respects on the same question of law.

4 The Court of Appeals for the Seventh Circuit, upon the authority of *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 316 U. S. 203, has rendered a decision (*The*

Barbasol Company v. *Jacobs, supra*) with which the Circuit Court of Appeals decision herein conflicts on the same question of law.

These above recited circumstances and their relation to the presented questions are discussed and explained in detail in the accompanying petition.

Respectfully submitted,

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Respondent.

SECOND PETITION FOR REHEARING.

Petitioner, on June 19, 1946, filed a petition for writ of certiorari which was denied on October 14, 1946. Petition for rehearing was filed November 8, 1946, and denied November 12, 1946.

This is a second petition for rehearing of said petition for writ of certiorari, and, in support thereof, it is submitted that since the first petition for rehearing was denied, certain circumstances have occurred by reason of which there is now such further uncertainty and confusion of and conflict between Circuit Courts of Appeals with respect to matters to which the presented questions are directed, that it is now more important and imperative that the peti-

tion for writ of certiorari should be granted and the matters presented by said questions authoritatively determined.

Said circumstances are:

1. The District Court which heard this case has decided, on January 3, 1947, that it relied on inapplicable law in this case. *Bulova Watch Company, Inc.* v. *Stolzberg*, 69 F. Supp. 543.

2. The Court of Appeals for the Sixth Circuit, on May 12, 1947, affirmed without opinion the final decree of the District Court without modification of its interlocutory decision (*Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d, 278), with which the decision herein of the First Circuit Court of Appeals conflicts on the same matter.

3. The Court of Appeals of the Seventh Circuit on February 27, 1947, rendered a decision (*The Barbasol Company* v. *Jacobs*, 160 F. 2d 336), with which the Court of Appeals decision herein conflicts in important respects on the same question of law.

4. The Court of Appeals for the Seventh Circuit, upon the authority of *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 316 U. S. 203, has rendered a decision (*The Barbasol Company* v. *Jacobs*, *supra*) with which the Circuit Court of Appeals decision herein conflicts on the same question of law.

Circumstances 1 and 2 apply to presented questions 3, 4 and 6* which involve the question of the applicable law in actions for infringement of a registered trade-mark and for interstate unfair competition.

Circumstances 3 and 4 apply to presented questions 1, 2, and 5* which involve the matter of likelihood of confusion and what proof thereof is required for infringement of a registered trade-mark as distinguished from unfair competition.

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* Questions presented herein are quoted in Appendix I, hereinafter at page 23.

As the subject matter of questions 3, 4, and 6 is intimately related, circumstances 1 and 2 will be considered under a single heading.

As the subject matter of questions 1, 2, and 5 is also intimately related, circumstances 3 and 4 likewise will be considered under a single heading.

CIRCUMSTANCES 1 AND 2.

Applicable Law for Trade-Mark Infringement and for Unfair Competition.

In the present action the complaint claims infringement of a registered trade-mark and includes a pendant claim of unfair competition in interstate commerce which is "predicated on essentially the same facts upon which the trade-mark infringement claim was based." The court, therefore, has jurisdiction of the unfair competition claim "because of the interrelationship of the issues" of the two claims. *Bulova Watch Co.* v. *Stolzberg*, 69 F. Supp. 543, 545, 546.

The District Court decided the unfair competition claim on Massachusetts law and denied relief. It said:

> "With respect to the claim of unfair competition, this must be decided under the laws of the State of Massachusetts." (R. 16.)

It decided the trade-mark infringement claim on Federal law and thereunder found that respondent's red circle marks infringed but that respondent's red oval mark and two other red marks, did not infringe.

The First Circuit Court of Appeals, without comment or reliance on any other authority with respect thereto, accepted the District Court's choice of law for both claims.

Under the District Court's choice of applicable law, and without citing any authority for its disagreement with the District Court—except *Patton Paint Co.* v. *Sunset Paint*

Co., 290 F. 323 (R. 163) on the point that it is significant that "no evidence of actual confusion" was produced by petitioner (R. 163)—the First Circuit Court of Appeals reversed that part of the decree of the District Court which held that respondent's red circles infringed petitioner's registered red circle trade-mark. In all other respects the decree of the District Court was affirmed.

It is significant to note here that (1) on the question of trade-mark infringement the District Court relied only on Federal Court of Appeals decisions (R. 15) although there are Supreme Court decisions which appear to be more appropriate, as pointed out more particularly hereinafter, and that (2) in two of the cases thus relied upon, namely, *Walter Baker & Co.* v. *Gray*, 192 F. 921, and *Reynolds & Reynolds Co.* v. *Norick*, 114 F. 2d 278, *no trade-mark was involved*, and the decisions are solely on *unfair competition*. In another of the cases thus relied upon, namely, *Wrisley* v. *Iowa Soap Co.*, 122 F. 796, *the trade-mark was held invalid*, and the rule of law quoted and relied upon therefrom (R. 15) by the District Court here was enunciated in *Wrisley* v. *Iowa Soap Co.* solely as the law of *unfair competition*. The only other case thus relied upon by the District Court, namely, *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d 316, did involve a registered trade-mark, but it was held with respect thereto that *local law* controlled. (p. 322.)

Manifestly, the First Circuit Court of Appeals, itself, is uncertain as to the applicable law on the question of infringement of a registered trade-mark and, as pointed out more particularly hereinafter, is confused with respect to the proper law to be applied in unfair competition.

It acknowledged its uncertainty in *Dwinell-Wright Co.* v. *National Fruit Product Co., Inc.*, 140 F. 2d 618, 620.

Its uncertainty stems from *Erie Railroad Co.* v. *Tompkins*, 304 U. S. 64, which is generally recognized as creating

uncertainty, not only as to the law governing infringement of a registered trade-mark but also as to the law governing interstate unfair competition.

Being uncertain, and in the absence of guiding authority of this Court (140 F. 2d 620), the First Circuit Court of Appeals, in *Dwinell-Wright Co.* v. *National Fruit Product Co., Inc., supra,* accepted federal law (statutory and case) as the applicable law in registered trade-mark cases, largely on the authority of its own lower court. That appeal did not include unfair competition, and the Court of Appeals did not therein consider the matter of unfair competition law nor accept the authority of that lower court as to that law.

Now, as indicated in circumstance 1 hereof, another lower court of that same Court of Appeals,—the same lower court before which this case was tried and whose choice of applicable law was accepted without question or comment by the First Circuit Court of Appeals as the applicable law,—has now decided that it relied on Massachusetts law erroneously in its decision in this case on the issue of unfair competition and that Federal law should govern instead. *Bulova Watch Co.* v. *Stolzberg,* 69 F. Supp. 543. It says with respect thereto:

> "My own decision in *Mishawaka Rubber & Woolen Mfg. Co.* v. *Panther-Panco Rubber Co.,* 55 F. Supp. 308, followed this general rule * * *. On more careful consideration, I feel that there is a strong policy in favor of interstate uniformity in the field of unfair competition. * * * This court has jurisdiction because of the interrelationship of the issues of unfair competition with those raised under the Trade-Mark Act. Federal law should govern both aspects of the complaint * * *." (p. 546.)

and thereupon it found unfair competition, in this *Bulova* case, under Federal law.

Thus, the District Court and the Court of Appeals applied the wrong law in this case, or the District Court applied the wrong law in the *Bulova* case. The *Bulova* law is believed to be correct as it appears to be in conformity with the views expressed by this Court in *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U. S. 173, 176.*

On the issue of infringement of a registered trade-mark, the Sixth Circuit Court of Appeals, as indicated in circumstance 2 hereof, has decided that:

> "Whatever substantive rights appellant may have in the premises arise under local law and are within the scope of *Erie Railroad Company* v. *Tompkins*, 304 U. S. 64." *Mishawaka Rubber & Woolen Mfg. Co.* v. *S. S. Kresge Co.*, 119 F. 2d 316, 322.

This petitioner is the "appellant" referred to in the above quotation, and the case there involved infringement of a registered trade-mark and interstate unfair competition, *the same registered trade-mark being involved there as here.*

That *Mishawaka* v. *Kresge* decision was rendered on an interlocutory decree. A final decree has since then been rendered, and on appeal therefrom the Circuit Court

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* In *Sola Electric Co.* v. *Jefferson Electric Co.*, 317 U. S. 173, 176, this Court held that the *Erie* doctrine (*Erie R.* v. *Tompkins*, 304 U. S. 64):

> "* * * is inapplicable to those areas of judicial decision within which the policy of the law is so dominated by the sweep of federal statutes that legal relations which they affect must be deemed governed by federal law having its source in those statutes rather than by local law."

Interstate unfair competition appears to be within the scope of the *Sola* decision (and not subject to the *Erie* doctrine) since the field is dominated by the Federal Trade Commission Act which declares all "unfair methods of competition" to be unlawful. It was the intent of Congress that this language should include but not be limited to the common law definitions of unfair competition as formulated by the federal courts throughout a period of many years. *Federal Trade Comm.* v. *R. F. Keppel & Brother, Inc.*, 219 U. S. 304, 310-312.

of Appeals, on May 12, 1947, affirmed that final decree without opinion.

Thus, *on the same matter,* there is direct conflict between the First Circuit Court of Appeals and the Sixth Circuit Court of Appeals as to the law of substantive rights in infringement of a registered trade-mark. In the First Circuit it is federal law. In the Sixth Circuit it is local law.

In its above-mentioned *Mishawaka* v. *S. S. Kresge* decision, the Sixth Circuit Court of Appeals did, on the authority of this Court, assert as the law that:

> "No one has the right to use the technical trade-mark of another in connection with like goods * * *" (p. 324.)

citing *Lawrence Mfg. Company* v. *Tennessee Mfg. Company,* 138 U. S. 537, 539, and *McLean* v. *Fleming,* 96 U. S. 245, 252, and it asserted further on the authority of this Court that:

> "It is well settled that an infringement will be restrained irrespective of the question of intent on the part of the infringer." (p. 323.)

citing *Saxlehner* v. *Siegel-Cooper Company,* 179 U. S. 42, 43, and in accordance therewith it construed the remedial section of the Trade-Mark Act to entitle petitioner, in that case, to an injunction and recovery of profits on account of the use by S. S. Kresge Co. of a red circle *with a design impressed thereon.*

In this case, the use by respondent of designs (even illustrations of the goods) and names on its red circles and red ovals was held by the First Circuit Court of Appeals to avoid infringement even though the marks were used on the *identical goods* for which petitioner's trade-mark is registered.

Thus, the First Circuit Court of Appeals decision herein

also conflicts with the above-mentioned decision of the Sixth Circuit Court of Appeals, on the interpretation of the remedial clause (15 U. S. C. A. 96) of the Trade-Mark Act.*

The Sixth Circuit Court of Appeals construed that remedial clause literally, and on the authority of this Court concluded that:

> "No one has the right to use the technical trade-mark of another in connection with like goods."

The First Circuit Court of Appeals on the other hand, without citing any authority therefor, read into that same remedial clause a qualification under which it concluded that others do have the right to use the technical trade-mark of another in connection with identical goods, if they impress a design or name on that trade-mark. (R. 167.)

In another respect also, it appears that the First Circuit Court of Appeals conflicts with the Sixth Circuit Court of Appeals interpretation of the remedial clause of the Trade Mark Act.

The Sixth Circuit Court of Appeals, as above noted, on the authority of this Court stated that:

> "It is well settled that an infringement will be restrained irrespective of the question of intent on the part of the infringer."

On the other hand the First Circuit Court of Appeals at the conclusion of its discussion of the matter of trade-mark infringement,—and apparently as a circumstance which contributed to the exemption from the purview of the remedial clause of the Trade Mark Act of Exhibit 6 at least (R. 174) which the District Court had found to infringe,—stated that:

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* See text, Appendix II, page 25.

"* * * it seems that defendant's long continued effort has been to enhance the significance of its own 'Panco' mark." (R. 174.)

Aside from the fact that this apparent reliance on the *intent* of respondent is in conflict with the law as above pronounced by the Sixth Circuit Court of Appeals, the conclusion by the First Circuit Court of Appeals that there was such intent on the part of respondent is believed and it submitted to be inconsistent with the rule under which this Court declined to protect the plaintiff's registered trade-mark in *Straus* v. *Notaseme Hosiery Co.*, 340 U. S. 179, 6 T. M. Rep. 103.

In that case, the plaintiff used a rectangular label across which appeared the word "Notaseme". (340 U. S. 180, and see 6 TM Rep. 104 for illustration of that label.)

In this case respondent uses a red oval "label" across which appears the name "Panco". (R. 162 and Exhibit 1, illustrated opposite page 30 of the Petition for Writ of Certiorari.)

In *Straus* v. *Notaseme* the plaintiff printed "Reg. U. S. Pat. Off" under the label. (340 U. S. 180 and 6 TM Rep. 104.)

In this case respondent embosses "Trade-Mark Reg." *on the red oval.* (R. 4 and Exhibit 1.)

In the *Straus* v. *Notaseme* case the rectangular label, but without the name "Notaseme", was registered. (340 U. S. 180.)

In this case the name "Panco" alone without the red oval, is registered. (R. 161.)

In both cases the mark *as used* had been refused registration. (340 U. S. 180 and R. 162.)

In the *Straus* v. *Notaseme* case the plaintiff was considered guilty of such misrepresentation that relief under

its registered rectangular label was refused because the registration notation held out to the public as registered the mark for which registration had been refused. (340 U. S. 180.)

In *Straus* v. *Notaseme* this Court considered the plaintiff guilty of misrepresentation under the above recited circumstances.

In this case, the First Circuit Court of Appeals attributed good faith (long-continued effort to enhance the significance of its own "Panco" mark (R. 174)) under similar circumstances.

The trade-mark registered notation in *Straus* v. *Notaseme* doubtless was presumed to be intended to apply to the entire mark and to accomplish that intent because the plaintiff had, by *seeking registration* thereof, signified that it believed and intended the entire mark to be considered by the purchasing public as its trade-mark.

That same presumed intent and accomplishment of intent is present here.

Respondent sought to register the entire mark as it uses it,—*i.e.*, the red oval with the name "Panco" embossed thereon as its trade-mark. It cannot now deny that its trade-mark notation on the red oval *extends to all that it sought to register.*

The very seeking of registration of the entire mark commits respondent and is an admission that the entire mark has trade-mark significance *to purchasers.* Otherwise, it would have no right to register the mark or even apply for registration thereof. It was denied registration, not because the claimed mark was not a trade-mark, but because it conflicted with petitioner's mark.

The First Circuit Court of Appeals nevertheless *assumed* that the red oval did not have trade-mark significance to purchasers, and on this ground found non-infringement.

It thereby decided contrarily to the law of *Straus* v. *Notaseme.*

In view of the foregoing, petitioner respectfully presents the following additional question:

7. Where a defendant has applied for and been refused registration of a mark in the United States Patent Office on a ground other than that the mark is not a trade-mark, can that defendant thereafter who uses the mark for which registration was refused and applies a trade-mark registered notation thereon assert that the mark thus used does not have trade-mark significance and thereby avoid infringement?

Respondent also uses a trade-mark notation on the cross bar joining the name "Panco" to the red circle in Exhibit 4 (R. 166) where it could refer to either or both.

In view of respondent's use of trade-mark notations on the red oval and also in connection with the red circle, it is especially significant that the trade-mark notation was not used with the registered name "Panco" alone or with the registered names "Panco Triplewear" and "Pancord" as shown by Exhibit 53, 2 and 3 illustrations of which appear opposite page 30 of the Petition for Writ of Certiorari.

CIRCUMSTANCES 3 AND 4.

Likelihood of Confusion.

The District Court in its consideration of the question of trade-mark infringement, regards the concurring decisions of the Patent Office that respondent's red oval mark infringed petitioner's red circle unpersuasive because, as it asserted, "the question presented to the Commissioner is not the identical question here." (R. 14.) The difference is, it explains, that the Patent Office decision "was

to the effect that a red oval *might* confuse the public. Our question is whether or not it *does* confuse the public." (R. 14.) (Emphasis ours.) It thereupon concluded that "the buying public *will not* be confused by respondent's red oval mark. (R. 14.) (Emphasis ours.)

The Court of Appeals noted particularly the finding of the District Court with respect to the red oval mark and the confusion aspect thereof, (R. 162) which it (the Court of Appeals) regarded as the "main issue urged by plaintiff in its appeal" and concluded that:

> "We think that the district court committed no error in this respect." (R. 162.)

The Court of Appeals' attitude on the question of confusion is indicated by the fact that it considered it significant that "plaintiff produced no evidence of actual confusion in the minds of purchasers * * *" citing *Patton Paint Co.* v. *Sunset Paint Co.*, 290 F. 323. (R. 163).

This quoted comment of the Court of Appeals is particularly noteworthy in view of the fact that it involved the *only matter of law* on which it appears that the Court of Appeals could have predicated its disagreement with the District Court as to the marks which the District Court found to infringe. It, however, confirms the District Court's "does confuse" requirement.

Special significance attaches to the confusion comments of both courts, when it is noted that the principal decisions on which the District Court relied and to which the Court of Appeals took no exception are *unfair competition* decisions. Note *Wrisley* v. *Iowa Soap Co.*, 122 F. 796, *Walter Baker & Co.* v. *Gray*, 192 F. 921, and *Reynolds & Reynolds Co.* v. *Norick*, 114 F. 2d 278. (R. 15.)

Herein, it is believed and submitted, lies the crux of the situation, which has prompted the Court of Appeals to

deviate from established principles of colorable imitation or confusing similarity and to read into the remedial clause of the Trade-Mark Act qualifications which the authorities, hereinbefore referred to, indicate are not intended in the Act. It is an example of the confusion which the Seventh Circuit Court of Appeals recognized recently in *Barbasol Co.* v. *Jacobs*, 160 F. 2d 336, wherein in discussing evidence of confusion, it stated:

> "We think it may be said that the apparent deviation from this rule in some cases has resulted from the confusion engendered by reliance both upon trade-mark infringement and unfair competition." (P. 340.)

The rule referred to in the above quotation is the well established rule as to the showing required in cases of *trade-mark infringement.* The Seventh Circuit Court of Appeals, correctly, we believe, held the rule to be:

> "* * * that a plaintiff is only required to show a likelihood of confusion where trade-mark infringement alone is relied upon." (160 F. 2d 340.)

Where both trade-mark infringement and unfair competition are relied on, as in this case, the rule of trade-mark infringement is likely to be confused with the rule of unfair competition as has occurred here.

In this *Barbasol* v. *Jacobs* case, which was decided since the first petition for rehearing was denied herein, the Seventh Circuit Court of Appeals concluded that in cases of trade-mark infringement:

> "* * * the law does not require proof of actual confusion." (160 F. 2d 340).

The District Court here, having applied the rule that it is necessary to show that the alleged infringing trade-mark "does confuse the public" (R. 14) rather than "likelihood of confusion" of the *Barbasol* case (160 F. 2d 336), and the Court of Appeals here, having found that the

District Court "committed no error in this respect" (R. 162), and the Court of Appeals having particularly pointed out that it is significant that "no evidence of actual confusion" (R. 163) was produced, there is direct conflict between the First Circuit Court of Appeals and the Seventh Circuit Court of Appeals on the question of what evidence of confusion is necessary in trade-mark infringement.

This question is of extreme importance as it is a critical question in interpretation of the remedial clause of the Trade-Mark Act. It ties in with the Court of Appeals *assuming* that purchasers would not consider respondent's red circles and red oval to have trade-mark significance. (R. 163, 167.) If evidence of actual confusion *were necessary* as the First Circuit Court of Appeals indicates (R. 163) and no such evidence *was produced* as in this case, then the Court could assume any reason which might occur to it for lack of confusion.

The Seventh Circuit Court of Appeals, it should be noted, had comprehensively considered and compared the matters of and authorities on trade-mark infringement and unfair competition in *Philco Corp.* v. *Phillips Mfg. Co.*, 133 F. 2d 663, and in the *Barbasol* case relied on authorities on this question. The District Court here and the First Circuit Court of Appeals did not.

It is also important to note here that the Seventh Circuit Court of Appeals found indirect support (160 F. 2d 340) in the decision of this court in *Mishawaka Rubber & Woolen Mfg. Co.* v. *Kresge Co.*, 316 U. S. 203. That *Mishawaka* v. *Kresge* case was referred to particularly by the Committees of Congress as indicative of the basic purposes of trade-mark legislation in framing the new Trade-Mark Act, as pointed out in the first petition for rehearing on page 4.

Even unfair competition, however, does not require evidence of actual confusion.

In *Straus* v. *Notaseme, supra,* the matter was considered strictly from the standpoint of unfair competition as the plaintiff's registered trade-mark was held invalid for misrepresentation, and unfair competition was found *solely* on similarity of the marks. There was no evidence of actual confusion.

Thus, even if the First Circuit Court of Appeals were correct in its interpretation of the Trade-Mark Act, in holding that *trade-mark infringement* is avoided by respondent's red circles and oval because purchasers did not give trade-mark significance thereto, petitioner is still entitled to protection against unfair competition where respondent makes "non-trade-mark use" of petitioner's trade-mark.

Unfair competition was found in *Straus* v. *Notaseme* wherein the compared marks were of substantially the same character as here,—geometrical figures. In *Straus* v. *Notaseme* they were rectangles. Here they are circles on the one hand and circles and an oval on the other.

Under *Straus* v. *Notaseme* unfair competition should have been found here.

CIRCUIT COURT OF APPEALS EXCEEDED ITS DISCRETION.

The District Court found as a matter of fact that respondent's "red circle on its packages has infringed the plaintiff's trade-mark." (R. 16.)*

In disagreeing with the finding, the Court of Appeals indicated no error of law on the part of the District Court

* The First Circuit Court of Appeals in *Dwinell-Wright Co.* v. *National Fruit Product Co., supra,* recognized that the question of trade-mark infringement is a question of fact and hence "reviewable * * * only for clear error." (p. 623.)

nor cited any authority upon which its disagreement was predicated.

The only authority it cited having any pertinence whatsoever to this finding of the District Court was *Patton Paint Co.* v. *Sunset Paint Co.*, 290 Fed. 323 (R. 163) which, as above pointed out, the Court of Appeals erroneously relied upon to signify its accord with the erroneous view of the District Court that infringement requires that the alleged infringing mark "does confuse the public" (R. 14) as distinguished from "might confuse the public." (R. 14.)

The disagreement of the Court of Appeals, therefore, is purely and solely with the District Court's finding of fact.

Rule 52 (a) of the Rules of Civil Procedure promulgated by this Court, however, provides that

> "Findings of fact shall not be set aside unless clearly erroneous."

No error is pointed out in the Court of Appeals opinion, and there is no indication whatsoever therein of any error in any respect on the part of the District Court as to the finding with which the Court of Appeals disagreed.

It is believed to be manifest that there is no clear error on the part of the District Court with respect to the finding in question except that it, and the Court of Appeals as well, erroneously considered that infringement requires that the alleged infringing mark "does confuse the public."

Respondent's mark of this finding is the same as petitioner's, *i. e.*, a red circular figure. Respondent uses the mark in connection with identical goods, *i. e.*, rubber heels.

A finding that the identical mark on identical goods infringes plaintiff's trade-mark is not clearly erroneous.

Accordingly, it was not within the discretion of the Court of Appeals to set aside that finding, and the Court of Appeals exceeded its discretion.

CONCLUSION.

From the foregoing it is believed apparent that the above-mentioned circumstances which occurred since the first petition for rehearing was filed have greatly increased the uncertainty and confusion with respect to the law of trade-marks and interstate unfair competition and have resulted in further conflict between Courts of Appeal on matters of critical and widespread importance to reliable application of that law.

To summarize, said circumstances show increased uncertainty and confusion of the courts of the First Circuit which heard this case, as to the appropriate law, whether federal or local, to apply in interstate unfair competition cases.

Also there is now direct conflict of that Court of Appeals with the Seventh Circuit Court of Appeals as to the rule, which it is contended was erroneously applied here, of confusing similarity of the marks in trade-mark cases and whether evidence of actual confusion is necessary.

Also there is direct conflict of the First Circuit Court of Appeals with the Sixth Circuit Court of Appeals as to the applicable law, whether federal or state, in case of infringement of a registered trade-mark.

Moreover, as has been pointed out above the First Circuit Court of Appeals is in disagreement with this Court with respect to the effect of applying a trade-mark registered notation to a mark for which registration was sought and refused.

This circumstance is believed to warrant new question No. 7 as the matter presented by that disagreement has never before been raised or decided.

In addition, as also pointed out above, the First Circuit Court of Appeals disregarded the rule promulgated by this Court with respect to setting aside a finding of fact.

These above-summarized matters are believed to be of such critical and urgent importance that it is respectfully submitted and urged that petitioner's petition for Writ of Certiorari should be granted as to all the presented questions and all of these matters authoritatively determined.

Respectfully submitted,

MISHAWAKA RUBBER AND WOOLEN MANUFACTURING COMPANY,
Petitioner,

By EUGENE M. GILES,
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176 West Adams Street,
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The undersigned attorneys hereby certify that this petition for rehearing is presented in good faith and not for delay, as is required by Rule 33 of this Court.

EUGENE M. GILES,
E. MANNING GILES, JR.

APPENDIX I.

QUESTIONS PRESENTED.

In Petition for Writ of Certiorari:

1. Where a registration of a trade-mark symbol under the Trade-Mark Act of 1905 is good and valid, is it permissible for any person, without the consent of the owner of that registration, to use that symbol as an attention attracting feature to promote the sale of goods of the same descriptive properties as those set forth in the registration?

2. When a trade-mark consisting of a geometric symbol in a specific color is registered under the Trade-Mark Act of 1905, is a substantially identical symbol of the same color rendered non-infringing by the addition of a name or design thereupon?

3. In a suit for infringement of a trade-mark registered under the Trade-Mark Act of 1905, should local law or federal law be applied?

4. In a suit for unfair competition in interstate commerce will the decision be based upon the internal law of a single state instead of the applicable law in the states where the alleged unfair competition has occurred?

In First Petition for Rehearing:

5. Will a mark of a valid registration under the 1905 Trade Mark Act be denied statutory protection because of the simple or commonplace character of the mark?

6. Is "local law" applicable in a case arising under the laws of the United States?

In Second Petition for Rehearing:

7. Where a defendant has applied for and been refused registration of a mark in the United States Patent Office on a ground other than that the mark is not a trade-mark, can that defendant thereafter who uses the mark for which registration was refused and applies a trade-mark registered notation thereon assert that the mark thus used does not have trade-mark significance and thereby avoid infringement?

APPENDIX II.

TRADE MARK ACT OF 1905.

Sec. 16. U. S. C., title 15, sec. 96. That the registration of a trade-mark under the provisions of this act shall be prima facie evidence of ownership. Any person who shall, without the consent of the owner thereof, reproduce, counterfeit, copy, or colorably imitate any such trade-mark and affix the same to merchandise of substantially the same descriptive properties as those set forth in the registration, or to labels, signs, prints, packages, wrappers, or receptacles intended to be used upon or in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration, and shall use, or shall have used, such reproduction, counterfeit copy, or colorable imitation in commerce among the several States, or with a foreign nation, or with the Indian tribes, shall be liable to an action for damages therefor at the suit of the owner thereof; and whenever in any such action a verdict is rendered for the plaintiff, the court may enter judgment therein for any sum above the amount found by the verdict as the actual damages, according to the circumstances of the case, not exceeding three times the amount of such verdict, together with the costs.

Sec. 19, U. S. C., title 15, sec. 99. That the several courts vested with jurisdiction of cases arising under the present act shall have power to grant injunctions, according to the course and principles of equity, to prevent the violation of any right of the owner of a trade-mark registered under this act, on such terms as the court may deem reasonable; and upon a decree being rendered in any such case for

wrongful use of a trade-mark the complainant shall be entitled to recover, in addition to the profits to be accounted for by the defendant, the damages the complainant has sustained thereby, and the court shall assess the same or cause the same to be assessed under its direction. The court shall have the same power to increase such damages, in its discretion, as is given by section sixteen of this act for increasing damages found by verdict in action of law; and in assessing profits the plaintiff shall be required to prove defendant's sales only; defendant must prove all elements of cost which are claimed.